REMARKS

Reconsideration of the above identified application in view of the preceding amendments and following remarks is respectfully requested. Claims 1-3, 5, 6, 7, 9, 11, 13-18, 20-22, 24, 26, 28-42 are presently pending in this application. By this amendment, Applicant has submitted replacement sheets for Figs. 1-3, 7 and 11 and amended claims 1 and 16 to more particularly and distinctly claim what Applicant regards as the invention. Applicant respectfully submits that no new matter has been added by these amendments, as support therefor is found throughout the specification and drawings.

In the Office Action, the Examiner objected to the drawings as failing to comply with 37. C.F.R. § 1.84 and requested that the Applicant respond to the USPTO Form 948, which was attached to the non-final office action mailed on 16 January 2002. USPTO Form 948 identified informalities associated with Figs. 1-3, 7 and 11 that require correction in order to conform with 37. C.F.R. § 1.84. Applicant has corrected the informalities identified by the Draftsman and submits herewith new Replacement Sheets 1-3, 7 and 11, containing Figs. 1-3, 7 and 11.

In the Office Action, the Examiner rejected claims 1-3, 5-7, 14-18, 20-22 and 29-30 under 35 USC 103(a) as being unpatentable over the combination of U.S. Patent No. 5,717,923 to Dedrick, U.S. Patent No. 6,029,150 to Kravitz and U.S. Patent No. 6,073,112 to Geerlings.

U.S. Patent No. 5,717,923 to Dedrick describes a system for targeting advertisements to users of a computer network, for example the Internet. The system makes use of a personal profile database which contains electronic information about users of the system. The system includes a client activity monitor which monitors user reactions to electronic content as it is presented to each user. The activity monitor takes note of which content is consumed or provokes action and which content is ignored. The personal profile database is updated based on

the information collected by the activity monitor. Customers must have subscribed to the

Dedrick system and have provided demographic data before being permitted to use the service.

The customer is requested to enter data such as a user name, demographic information such as

age, sex, income and marital status and psychographic information such as likes and dislikes,

color preferences and personality traits.

The purpose of the Dedrick system is to enable the monitoring of actions taken by an

individual user in consuming electronic information and customizing subsequent electronic

information for that individual user based on these previous actions.

In the Dedrick system, data representing the interaction between a customer and a

merchant is not automatically transmitted to the merchant. The data representing the transaction

is instead stored in personal profile database. Data is later transmitted to the merchant using

statistic compilation processes which presumably is in a batch form. Still further, the database

contains interaction data between a customer and a single merchant.

U.S. Patent No. 6,029,150 to Kravitz describes a method for making electronic payments

for goods purchased online through an agent (CTA - Customer Transfer Agent). Customers have

an account with the CTA. When a customer wishes to purchase an item from a merchant, the

customer obtains an authenticated quote from the appropriate merchant including goods, list and

price. The customer then sends a request to the CTA for payment of the quoted price to the

particular merchant, along with the customer's unique account identifier. The CTA processes the

request and sends a payment advice message to the customer who forwards a portion of this to

the merchant. Upon receiving the payment advice message, the merchant sends the goods to the

customer. In Kravitz, the CTA sends a detailed record and a fund transfer request to the

customer's bank or financial institution. Then the customer's bank initiates the fund transfer to

the MCC (Merchant Clearing Corporation) or an account held by the MCC at the merchant's

bank. (see Column 13, lines 2-12).

Kravitz describes a system and method for payment and transactions in an electronic

payment system. The purpose of the Kravitz system is to provide a secure payment system

which also provides privacy. For this reason, the invention requires transactional anonymity

with an audit trail. More importantly, in the Kravitz system it is the customer or his agent

(CTA) that transmits the customer identifier and merchant identifier to the financial

institution, not the merchant.

U.S. Patent No. 6,073,112 to Geerlings describes a system which assists merchants in

reaching customers by providing information about when to contact each customer and what

information to try and pass on to the customer. The system monitors shopping behavior and

continuously refines customer segmentation accordingly. The Geerlings system contains two

databases, one containing demographic and shopping activity information about recipients of

communications, and the second database containing information about desired communication

times and content. The Geerlings specification describes the capability to report on

communications attempted and to present customer/recipient groupings.

Applicant has amended claim 1 to recite, *inter alia,* a computer implemented method for

compiling demographic data based on commercial transactions between customers and

merchants. The disclosed method includes the steps of:

> transmitting a customer identifier from a customer to a merchant automatically
> during a commercial transaction between the customer and the merchant; transmitting
> the customer identifier and a merchant identifier from the merchant to a third-party
> financial institution;
> transmitting the customer identifier and the merchant identifier from the financial
> institution to an interaction database of interaction data representing interactions
> between customers and merchants, the interaction database comprising interaction data

of interactions involving different merchants and different customers;

transmitting from the financial institution into a demographics database, demographic data representing existing and/or prospective customers of two or more merchants;

retrieving from the interaction and demographics databases data representing existing and/or prospective customers of one or more merchants; and

generating a report based on the data retrieved from the interaction and demographics databases.

Similarly, claim 16 has been amended to recite, among other things, a system for compiling demographic data based on commercial transactions between customers and merchants, the system comprising:

a data transfer device configured to transmit a customer identifier from a customer to a merchant automatically during a commercial transaction between the customer and the merchant;

a data transfer device configured to transmit the customer identifier and a merchant identifier from the merchant to a financial institution;

a data transfer device configured to transmit the customer identifier and the merchant identifier from the financial institution to an interaction database of interaction data representing interactions between customers and merchants, the interaction database comprising interaction data of interactions involving different merchants and different customers;

a demographics database maintained in computer memory of demographics data transmitted from the financial institution, the demographic data representing existing and/or prospective customers of two or more merchants;

a retrieval device configured to retrieve from the interaction and demographics databases data representing existing and/or prospective customers of one or more merchants; and

a report generator configured to generate a report based on the data retrieved from the interaction and demographics databases.

The present invention as claimed involves a system and method for transferring a customer identifier from a customer to a merchant and then transmitting that customer identifier together with a merchant identifier from the merchant to a financial institution, and then transmitting the customer identifier in the merchant identifier from the financial institution to an interaction database. Still further, the disclosed system includes the creation of a demographics

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database by the financial institution. As a result, the financial institution has created both a

interactions database and a demographics database which can later be used to generate reports

for various merchants.

As the Examiner noted in the Office Action, the Dedrick specification does not teach or

suggest transmitting a customer identifier and a merchant identifier from the merchant to a

financial institution, nor does it describe the step of transmitting from the financial institution

into a demographics database, demographic data representing existing and/or prospective

customers of two or more merchants.

Concerning the Kravitz system, the Examiner cited Column 13, lines 2-5, Column 7,

lines 21-25 and Column 14, lines 29-33 as disclosing the transmission of the customer identifier

and the merchant identified from the merchant to a financial institution. Applicant respectfully

disagrees with this statement. In fact the cited text supports Applicant's position that the

customer and merchant identifiers associated with a particular transaction are transmitted by the

CTA to the customer's bank. The CTA is not the merchant nor is the CTA affiliated with the

merchant. The CTA is the customer's agent. Therefore, the Kravitz system does not disclose,

suggest or teach transmitting the customer identifier and the merchant identifier from the

merchant to a financial institution. Still further, the Kravitz system does not teach, suggest or

disclose the step of transmitting from the financial institution into a demographics database,

demographic data representing existing and/or prospective customers of two or more merchants.

Similarly, Geerlings does not disclose, suggest or teach transmitting the customer

identifier and the merchant identifier from the merchant to a financial institution, nor does it

describe the step of transmitting from the financial institution into a demographics database,

demographic data representing existing and/or prospective customers of two or more merchants.

There is often reluctance for a customer to provide a merchant with demographic data and other information which is perceived to be useful to a merchant for marketing purposes. However, customers are often willing to provide demographic information to some organizations, for example financial institutions, Internet service providers and telecommunication service providers.

In the present invention the customer does not knowingly provide information useful to a merchant for marketing purposes. The customer identifier together with the merchant identifier is transmitted from the merchant to a financial institution and then from the financial institution the customer identifier and the merchant identifier are transmitted to an interaction database. This interaction database could be maintained by a party other than customer and merchant or the financial institution. In the invention as claimed in claims 1 and 16, it is the financial institution that creates the demographics database.

Prior art methods and systems have the disadvantage that a merchant needs a list of customers before the merchant can prepare a report. In the prior art systems and methods cited by the Examiner, the merchant must collect and store demographic and/or interaction data from an existing customer base. An improvement provided by the present invention is the ability to provide reports to small merchants who do not have a large customer list.

A further disadvantage of the prior art methods and systems cited by the Examiner is that a merchant does not necessarily know the identity of a particular customer purchasing goods or services from that merchant. The merchant needs to maintain a sophisticated customer database in order to match customer interactions or activity with the identities of the customers. In the present invention the merchants for whom reports are generated do not need to know the customer identities. The interaction database and the demographic database are structured and

contain suitable data so that a merchant can generate a report based solely on this interaction data and demographics data.

Therefore, neither Dedrick, Kravitz or Geerlings, either alone or in combination, teach, disclose or suggest a method or system as recited in claims 1 and 16. Accordingly, claims 1 and 16 and each of the claims depending therefrom, namely claims 2, 3, 5-7, 9, 11, 13-15, 17, 18, 20-22, 24, 26, and 28-42 distinguish the subject invention from Dedrick, Kravitz and Geerlings. Further, Claims 1 and 16 are not rendered obvious by the combination of Dedrick, Kravitz and Geerlings. Withdrawal of the rejections under 35 U.S.C. § 103(a) is therefore respectfully requested.

In the Office Action, the Examiner rejected claims 31, 32, 37 and 38 under 35 USC 103(a) as being unpatentable over Dedrick, Kravitz and Geerlings as applied to claims 7 and 22 above, and further in view of Sirbu et al. (U.S. Patent No. 5,809,144). Applicant asserts that Sirbu et al. does not cure the deficiency of Dedrick, Kravitz and Geerlings noted above with respect to claims 1 and 16. More specifically, Sirbu et al. does not teach, suggest or disclose transmitting the customer identifier and the merchant identifier <u>from the merchant to a financial institution</u>, nor does it describe the step of <u>transmitting from the financial institution into a demographics database</u>, demographic data representing existing and/or prospective customers of two or more merchants. Therefore, claims 31, 32, 37 and 38 by virtue of there dependency from claims 1 and 16, distinguish over the combination of Dedrick, Kravitz, Geerlings and Sirbu et al. Withdrawal of the rejection under 35 U.S.C. § 103(a) is respectfully requested.

In the Office Action, the Examiner rejected claims 9, 24, 33, 34, 39 and 40 under 35 USC 103(a) as being unpatentable over Dedrick, Kravitz and Geerlings as applied to the claims above, and further in view of Kawecki et al. (U.S. Patent No. 5,963,625). Applicant

asserts that Kawecki et al. does not cure the deficiency of Dedrick, Kravitz and Geerlings noted above with respect to claims 1 and 16. More specifically, Kawecki et al. does not teach, suggest or disclose a system and method for transmitting the customer identifier and the merchant identifier <u>from the merchant to a financial institution</u>, nor does it describe the step of <u>transmitting from the financial institution into a demographics database</u>, demographic data representing existing and/or prospective customers of two or more merchants. Therefore, claims 9, 24, 33, 34, 39 and 40 by virtue of there dependency from claims 1 and 16, distinguish over the combination of Dedrick, Kravitz, Geerlings and Kawecki et al. Withdrawal of the rejection under 35 U.S.C. § 103(a) is respectfully requested.

In the Office Action, the Examiner rejected claims 11, 26, 36, 37, 41 and 42 under 35 USC 103(a) as being unpatentable over Dedrick, Kravitz and Geerlings as applied to claims 1 and 16 above, and further in view of Hanson et al. (U.S. Patent No. 5,974,398). Applicant asserts that Hanson et al. does not cure the deficiency of Dedrick, Kravitz and Geerlings noted above with respect to claims 1 and 16. More specifically, Hanson et al. does not teach, suggest or disclose a system and method for transmitting the customer identifier and the merchant identifier <u>from the merchant to a financial institution</u>, nor does it describe the step of <u>transmitting from the financial institution into a demographics database</u>, demographic data representing existing and/or prospective customers of two or more merchants. Therefore, claims 11 and 26 by virtue of there dependency from claims 1 and 16, distinguish over the combination of Dedrick, Kravitz, Geerlings and Hanson et al. Withdrawal of the rejection under 35 U.S.C. § 103(a) is respectfully requested.

In the Office Action, the Examiner rejected claims 13 and 28 under 35 USC 103(a) as being unpatentable over Dedrick, Kravitz and Geerlings as applied to claims 1 and 16 above, and
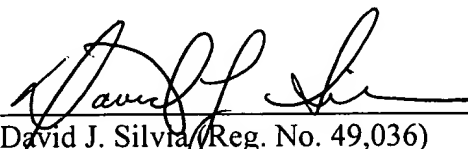
further in view of Caries (U.S. Patent No. 5,661,516). Applicant asserts that Caries does not cure

the deficiency of Dedrick, Kravitz and Geerlings noted above with respect to claims 1 and 16.

More specifically, Carles does not teach, suggest or disclose a system and method for

transmitting the customer identifier and the merchant identifier <u>from the merchant to a financial</u>

<u>institution,</u> nor does it describe the step of <u>transmitting from the financial institution into a</u>

<u>demographics database,</u> demographic data representing existing and/or prospective customers of

two or more merchants. Therefore, claims 13 and 28 by virtue of there dependency from claims

1 and 16, distinguish over the combination of Dedrick, Kravitz, Geerlings and Caries Withdrawal

of the rejection under 35 U.S.C. § 103(a) is respectfully requested.

Based on the above arguments, it is respectfully submitted that all of the claims pending

in this application, namely claims 1-3, 5-7, 9, 11, 13-18, 20-22, 24, 26, 28-42, are directed to

patentable subject matter, and allowance thereof is earnestly solicited.

If any remaining matters need to be resolved, Applicant respectful requests an interview

with the Examiner prior to any official action being taken by the Office in response to these

arguments and amendments in order to facilitate allowance of the pending claims. The

undersigned attorney may be contacted at the number set forth herein below.

Respectfully submitted,

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David J. Silvia (Reg. No. 49,036)
EDWARDS & ANGELL, LLP
P.O. Box 9169
Boston, MA 02209
Phone: (203) 353-6839
Customer No. 21874

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